

RFP No. 06-800

"K-12 Funding Analysis for Washington State "

SCOPE OF WORK

As part of its requirements under the Washington Learns legislation, E2SSB 5441, the AGENCY wishes to contract for an **efficiency and adequacy analysis** of Washington State's K-12 finance system. In the enabling legislation for this effort, the Legislature found that:

More than a quarter of a century has passed since the current school finance system was first created, and the challenges facing our schools and students have grown and changed dramatically during that time.

The legislation goes on to point out that education reform has led the state to impose new expectations and goals on its schools, teachers, and students. It is the expectation of the Washington Learns Steering Committee that this contract helps Washington develop a **new K-12 funding structure** that identifies first how best to distribute current dollars given the new expectations in K-12, and next whether additional funding is necessary to achieve Washington's standards.

The following scope identifies how the goals above should be pursued in this project.

Task 1: Financial Analysis

This report should include a financial analysis that addresses the unique context of Washington state K-12 education: our constitutional requirements, history of local control, achievement and graduation expectations, and student diversity. The financial analysis should be conducted using the **successful schools** model and **at least one other** nationally recognized approach: statistical methodology, evidence-based approach, and the professional judgment model.

- The **successful schools approach** estimates adequate funding levels by examining the expenditure patterns of schools currently meeting a definition of success.
- The **econometric or statistical methodology** is designed to explain factors that account for differences in spending while statistically controlling for student performance.
- The **evidence- or research-based approach** estimates adequate funding levels based on the published costs of implementing whole-school, systemic reform programs.
- The **professional judgment model** relies on educators to identify resources necessary to produce desired outcomes. School and district costs are calculated from market prices for identified resources.

The financial analyses shall include the following sub-tasks:

- A. The Washington Learns Steering Committee shall assist the CONSULTANT in **defining the successful schools** criteria used for this financial analysis.
- B. In one of the analysis approaches, the CONSULTANT shall **identify the specific components** of the cost structure he/she is proposing. The specific components to be identified *must* detail adequate salary and benefit levels, and *should* include other assumptions, such as: extended learning, class size, professional development, etc.

- C. The models should identify specific funding adjustments for **special education, bilingual students, and remedial** (Learning Assistance Program) populations that will enhance districts' ability to serve these students effectively and efficiently.
- D. The models must consider options for adjustments to address **regional funding challenges**. (The CONSULTANT can build from a December 2000 AGENCY report on regional cost adjustments.)
- E. The Washington Learns Steering Committee plans to address several other components of our K-12 delivery system in concurrent research projects. It is the intent of the AGENCY that the CONSULTANT work with and incorporate findings from these other concurrent research efforts as requested by the Washington Learns Steering Committee. Specifically, this will entail integrating work relating to the **strengths and weaknesses** of the current system, and an **educator compensation structure** that recognizes professional development, including the knowledge and skills to enhance student performance.

Note: The financial analysis will exclude pupil transportation funding, which is the subject of a current study by the Joint Legislative Audit and Review Committee, and will exclude capital costs.

Task 2: Additional Study Questions

This project shall identify change options to the current K-12 finance system to make it more efficient and effective, giving particular consideration to the impacts of the state's current allocation methodology and statutory or regulatory requirements. In addition to the basic financial analysis outlined above, additional questions to be addressed should include, but not be limited to, the following:

- 1. Are some districts using efficient and effective practices or programs now that are **transferable** and could produce savings and/or increased productivity in other districts across the state?
- 2. Would having fewer **categorical programs** that require separate accounting, planning and reporting improve school districts' abilities to serve all students more efficiently and effectively?
- 3. How would districts remain **accountable** for serving special student populations if the categorical programs are merged into more general funding streams?
- 4. What **grant-based programs** could be redesigned to reduce accounting and paperwork impacts and increase program stability and effectiveness?
- 5. What other financial **rules or regulations** could be removed from school districts to ease their requirements and assist them in focusing on student achievement?

Task 3: Report to Washington Learns

As required in statute, the work completed under this contract will include options to change the state's current K-12 finance system. The CONSULTANT will write and deliver a report to the Washington Learns steering committee describing these options. Where possible, the options presented should identify opportunities to scale or target services or investments in order to phase in over time any new expenditure. The CONSULTANT shall also include a discussion of any adverse impacts of each option presented.

The Washington Learns steering committee is required to submit a final report to the legislature by November 2006. The work conducted under this contract will be incorporated into the steering committee's final report. The CONSULTANT may be asked to present his or her work to the Washington Learns steering committee.

Note: Various state agencies and other organizations in Washington have recently completed reports addressing some or all of the topics identified in this scope of work. Additionally, the steering committee and advisory committees for Washington Learns are currently working to identify effective state programs. It is the AGENCY's intent that the CONSULTANT refer to and integrate this previous and on-going work, when appropriate. The AGENCY will provide access to relevant materials upon award of this contract.